

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION**

In re:

IDL DEVELOPMENT, INC.,
Debtor.

Chapter 7
Case No. 18-14808-CJP

STATUS REPORT OF CHAPTER 11 TRUSTEE

David B. Madoff, the Chapter 7 Trustee of Debtor IDL Development, Inc., submits the following status report, pursuant to this Court’s Orders dated March 9, 2022 and September 16, 2022.¹ As set forth below, the status of the case is unchanged since the Trustee’s prior report filed on March 7, 2022:

1. On December 29, 2018, the Debtor filed a petition for relief under Chapter 11 of the Bankruptcy Code.
2. On April 9, 2019, the Debtor filed a Motion to Sell Substantially All of Its Assets by Private Sale (the “Sale Motion”), in which it proposed to sell its assets to Quantum Elements Development, Inc. or its nominee (the “Buyer”). An opposition to the Sale motion was filed by creditor Continuum Energy Technologies, LLC (“CET”), which prompted a three-day evidentiary hearing. After the hearing, the Court approved the sale, by Order dated June 14, 2019, as later amended, and the sale was consummated on August 23, 2019.

3. On May 20, 2019, the United States Trustee sought the appointment of an Examiner to investigate certain matters, including the validity of the Debtor’s prepetition debts. By order dated May 23, 2019, the Court appointed Anne White as the Examiner. On September

¹ The Trustee apologizes for the lateness of this Report, prompting the Court to issue the second order.

30, 2019, the Examiner filed her Final Report, in which she concluded that all of the debts scheduled by the Debtor were accurate, except that she did not opine on the claim of CET, which was the subject of separate litigation at the time.

4. On November 14, 2019, the Court ordered the appointment of a Chapter 11 trustee and, on November 15, 2019, the Trustee was appointed. On February 21, 2020, because there were no further operations and no reason to remain in Chapter 11, the Trustee moved to convert the case to Chapter 7. On March 20, 2020, the Court entered an Order converting the case. The Trustee remained as the Chapter 7 trustee.

5. The Sale to QED provided for the following payments: (1) a payment at closing, which was paid by QED to the Debtor, and later paid over to the Trustee; (2) a litigation escrow, in the amount of \$250,147, which was turned over to the Trustee in December 2021; and (3) a potential annual payment stream of Deferred Royalties (as defined in the Sale Agreement and elsewhere), based on a percentage of royalties earned by the assets sold to QED. To date, QED has informed the Trustee that there have been no royalties. The Trustee received the most recent correspondence in February 2022, indicating there were no royalties for 2021.

6. While the Trustee has been involved in negotiations over the sale/liquidation of the potential royalty stream, those negotiations have not led to such a sale and have ceased. The estate thus remains open to receive royalty payments, should they come in the future.

Respectfully submitted this 16th day of September, 2022.

DAVID B. MADOFF, CHAPTER 7
TRUSTEE

/s/ David B. Madoff
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Certificate of Service

The undersigned hereby certifies that on September 16, 2022, he caused copies of the foregoing to be served by ECF on the parties on the attached service list.

/s/ David B. Madoff
David B. Madoff (BBO#552968)

Service List

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